

Energy

The President has shown his commitment to America's energy and economic security. He proposed the National Energy Policy during his first term in office and renewed his call for Congress to pass it this year. The policy would modernize and improve our electricity grid for the future, reduce our reliance on foreign sources of energy, protect the environment, increase conservation, improve energy efficiency, and expand the use of new technologies and renewable energy sources.

Consistent with the National Energy Policy approved by the President, the FY 2006 Budget proposes significant spending on research and development toward a hydrogen economy that includes affordable zero-emission fuel cell vehicles; on developing carbon sequestration and advanced coal technologies to ensure that the United States' 250-year coal reserves can be used in an environmentally responsible way; and on continuing research on advanced nuclear technologies and the potential for fusion energy. It also focuses on making current forms of energy more secure, efficient, and environmentally benign.

Developing Cleaner Coal Technologies:

- The 2006 Budget provides \$286 million, an increase of \$13 million over 2005 enacted levels, for the President's Coal Research Initiative to improve the environmental performance of coal power plants by reducing emissions and improving efficiency. This includes:
 - \$68 million for the Clean Coal Power Initiative, of which \$18 million is allocated to continue development of FutureGen, the coal-fueled, near-zero-emissions electricity and hydrogen generation project announced by the President in February 2003;
 - A commitment to FutureGen beyond 2006, by proposing a \$257-million advance appropriation for 2007 to provide the Federal share of FutureGen for several years; and
 - \$218 million for research and development of other clean-coal technologies, such as Integrated Gasification Combined Cycle systems, carbon sequestration, and next-generation turbines.

Hydrogen Fuel Initiative:

- The 2006 Budget includes \$260 million, an increase of \$35 million over 2005 enacted levels, for the Hydrogen Fuel Initiative as part of the President's \$1.2 billion five-year commitment to develop the fundamental science and technologies to produce, store, and distribute hydrogen for use in fuel-cell vehicles, electricity generation, and other applications.
- The Budget continues strong support for high-risk, high-payoff basic research that is closely coupled and coordinated with the initiative's applied research and development programs. Research funded through the initiative has already led to reduced costs for fuel cells, and progress continues on other technological challenges in hydrogen production and storage.

Tax Incentive for Renewable Energy and Hybrid and Fuel Cell Vehicles:

- The 2006 Budget proposes tax incentives totaling \$3.6 billion through 2010 to spur the use of energy-efficient technologies and clean, renewable energy, such as wind, solar, and biomass.

Long-term Investments in Research:

- The 2006 Budget proposes \$3.5 billion for the Department of Energy's Office of Science. The Budget allocates funds to best performers and activities that provide the broadest benefits to society, including priority research funding for climate change science, biotechnology, the Hydrogen Fuel Initiative, four newly operational Nanoscale Science Centers, and high-end computing research.
- The Budget provides over \$80 million to begin construction on the Linac Coherent Light Source – a revolutionary new facility that will open entirely new realms of discovery in the chemical, materials, and biological sciences.

Promoting Nuclear Energy:

- The 2006 Budget includes a package of initiatives that will aggressively promote clean nuclear power, including investments to advance near-term construction of new nuclear power plant designs. These include:
 - \$56 million in 2006 and \$500 million through 2011 for the Nuclear Power 2010 initiative to assist with technical and regulatory feasibility requirements, leading to the construction and operation of new nuclear power plants in the United States for the first time in three decades;
 - \$45 million for research and development to support Generation IV nuclear energy systems, which are to provide a safe, economical, and proliferation-resistant source of clean nuclear power and hydrogen in the future;
 - Funding for continued research on advanced, proliferation-resistant nuclear fuel cycles, which would allow the Nation to extract the energy potential from spent nuclear fuel and dramatically reduce the quantity and toxicity of the remaining waste; and
 - Proposed tax changes to help ensure nuclear plant decommissioning costs are adequately funded.

Yucca Mountain:

- After extensively evaluating a range of options, in 2002 the President proposed, and the Congress approved, designation of a site at Yucca Mountain, Nevada, for the safe storage and disposal of spent nuclear fuel in a mined geologic repository.
- Successful completion of a repository at Yucca Mountain will ensure that the Nation has a single underground facility, secure from potential terrorist threats, where nuclear waste is stored in a manner that protects the environment and our citizens. The Administration is committed to completing the license application process and constructing the repository expeditiously, always mindful of health, safety, and sound science. To accomplish this, the Budget includes \$651 million for the repository in 2006.

Fusion Research:

- In January 2003, President Bush committed the United States to participate in negotiations on the largest and most technologically sophisticated energy research project in the world – the International Thermonuclear Experimental Reactor (ITER). Assuming that international partners reach a timely site decision, the \$50 million provided in the 2006 Budget funds the first year of equipment fabrication for the United States' in-kind contributions to this important partnership.

Electricity Transmission:

- The Budget includes \$96 million for the Office of Electric Transmission and Distribution to lead the Nation's effort to modernize and expand its electricity transmission and distribution system.

Energy Information and Analysis:

- The Budget includes \$86 million for the Energy Information Administration's programs to provide valuable data collection, information, and analysis related to energy prices, demand, and resources.

Weatherization Assistance:

- The 2006 Budget continues the President's strong support for the Weatherization Assistance Program to cut the utility bills of low-income families while conserving energy. The Budget includes \$230 million for this program, which in 2006 will help insulate and improve the energy efficiency of an additional 92,300 homes of low-income families.